

## Air Quality Permit

Issued To: EnCana Gathering Services (USA), Inc. Permit #2738-06  
Cut Bank Field, Station 018 Administrative Amendment (AA) Received:  
600 South Excelsior 10/14/03  
Butte, MT 59701 Department Decision on AA: 10/29/03  
Permit Final: 11/14/03  
AFS Number: 035-0011

An air quality permit, with conditions, is hereby granted to the EnCana Gathering Services (USA), Inc. (EnCana) - Cut Bank Field, Station 018, pursuant to Sections 75-2-204 and 211, of the Montana Code Annotated (MCA), as amended, and the Administrative Rules of Montana (ARM) 17.8.740, *et seq.*, as amended, for the following:

### Section I: Permitted Facilities

#### A. Plant Location

The EnCana natural gas compressor station and associated equipment is located in the S½ of the NW¼ of Section 22, Township 35 North, Range 5 West, in Glacier County, Montana. This facility is known as the Cut Bank Field, Station 018. A list of the equipment at the facility is contained in Section I.A. of the permit analysis.

#### B. Current Permit Action

On October 14, 2003, the Department of Environmental Quality (Department) received a letter from Aspen Consulting & Engineering, Inc., on behalf of EnCana requesting that the Department add a new 120-thousand British thermal unit per hour (MBtu/hr) Hotomatic Heater to the list of equipment at the Cut Bank Field, Station 018. The current permit action adds the 120-Mbtu/hr Hotomatic Heater under de minimis (ARM 17.8.745) and updates the permit to reflect current permit language and rule references used by the Department.

### Section II: Conditions and Limitations

#### A. Emission Limitations

1. Emissions from the 360-horsepower (hp) White Superior compressor engine shall not exceed the following (ARM 17.8.752):

NO <sub>x</sub>	8.73 pound per hour (lb/hr)
CO	1.59 lb/hr
VOC	3.97 lb/hr

2. EnCana shall not cause or authorize emissions to be discharged into the outdoor atmosphere from any sources installed or altered after November 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.304).

3. EnCana shall not cause or authorize emissions to be discharged into the atmosphere from haul roads, access roads, parking lots, or the general plant property without taking reasonable precautions to control emissions of airborne particulate matter (ARM 17.8.308).
4. EnCana shall treat all unpaved portions of the access roads, parking lots, and general plant area with fresh water and/or chemical dust suppressant as necessary to maintain compliance with the reasonable precautions limitation (ARM 17.8.752).
5. EnCana shall operate all equipment as designed to provide the maximum control of air pollutants (ARM 17.8.752).

B. Testing Requirements

1. All compliance source tests shall be conducted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).
2. The Department may require testing (ARM 17.8.105).

C. Operational Reporting Requirements

1. EnCana shall supply the Department with annual production information for all emission points, as required by the Department, in the annual emission inventory request. The request will include, but is not limited to, all sources of emissions identified in Section I.A. of the permit analysis.

Production information shall be gathered on a calendar-year basis and submitted to the Department by the date required in the emission inventory request. Information shall be in units as required by the Department. This information may be used for calculating operating fees, based on actual emissions from the facility, and/or to verify compliance with permit limitations (ARM 17.8.505).

2. EnCana shall notify the Department of any construction or improvement project conducted pursuant to ARM 17.8.745, that would include a change in control equipment, stack height, stack diameter, stack flow, stack gas temperature, source location, or fuel specifications, or would result in an increase in source capacity above its permitted operation or the addition of a new emission unit. The notice must be submitted to the Department, in writing, 10 days prior to start-up or use of the proposed de minimis change, or as soon as reasonably practicable in the event of an unanticipated circumstance causing the de minimis change and must include the information requested in ARM 17.8.745(1)(d) (ARM 17.8.745).
3. All records compiled in accordance with this permit shall be maintained by EnCana as a permanent business record for at least 5 years following the date of the measurement, must be submitted to the Department upon request, and must be available at the plant site for inspection by the Department (ARM 17.8.749).

### Section III: General Conditions

- A. Inspection - EnCana shall allow the Department's representatives access to the source at all reasonable times for the purpose of making inspections or surveys, collecting samples, obtaining data, auditing any monitoring equipment (CEMS, CERMS) or observing any monitoring or testing, and otherwise conducting all necessary functions related to this permit.
- B. Waiver - The permit and all the terms, conditions, and matters stated herein shall be deemed accepted if the recipient fails to appeal as indicated below.
- C. Compliance with Statutes and Regulations - Nothing in this permit shall be construed as relieving EnCana of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740 *et seq.* (ARM 17.8.756).
- D. Enforcement - Violations of limitations, conditions and requirements contained herein may constitute grounds for permit revocation, penalties or other enforcement as specified in Section 75-2-401 *et seq.*, MCA.
- E. Appeals - Any person or persons jointly or severally adversely affected by the Department's decision may request, within 15 days after the Department renders its decision, upon affidavit setting forth the grounds therefore, a hearing before the Board of Environmental Review (Board). A hearing shall be held under the provisions of the Montana Administrative Procedures Act. The Department's decision on the application is not final unless 15 days have elapsed and there is no request for a hearing under this section. The filing of a request for a hearing postpones the effective date of the Department's decision until conclusion of the hearing and issuance of a final decision by the Board.
- F. Permit Inspection - As required by ARM 17.8.755, Inspection of Permit, a copy of the air quality permit shall be made available for inspection by the Department at the location of the source.
- G. Permit Fees - Pursuant to Section 75-2-220, MCA, as amended by the 1991 Legislature, failure to pay the annual operation fee by EnCana may be grounds for revocation of this permit, as required by that section and rules adopted thereunder by the Board.

Permit Analysis  
EnCana Gathering Services (USA), Inc.  
Cut Bank Field, Station 018  
Permit #2738-06

I. Introduction/Process Description

A. Permitted Equipment

EnCana Gathering Services (USA), Inc. (EnCana) - Cut Bank Field, Station 018 operates a compressor station and associated equipment, located in the S½ of the NW¼ of Section 22, Township 35 North, Range 5 West, in Glacier County, Montana. The facility is known as the Cut Bank Field, Station 018. The facility includes the following equipment:

- (1) 360-horsepower (hp) White Superior compressor engine (installed 1981)
- (1) 500-thousand British thermal units per hour (MBtu/hr) Olman Heath dehydrator reboiler
- (1) 120-Mbtu/hr Hotomatic Heater

B. Source Description

The complex has two primary purposes. The first is to boost the field gas to the natural gas transmission system. This initial compression of the gas is accomplished with a 360-hp White Superior compressor engine.

The second purpose of the complex is to "dry" the gas as it is being processed. The gas contains some moisture, which must be removed from the system prior to being sent into the transmission system. This is accomplished with an Olman Heath 500 MBtu/hr dehydrator, also commonly called a reboiler or glycol unit.

The gas is treated with a glycol solution, which absorbs the water in the gas stream. The glycol is then heated to about 300 degrees Fahrenheit (°F) in order to drive off the water in the form of steam. Burning natural gas in the dehydrator reboiler generates the heat that is necessary for this activity.

C. Permit History

Montana Power Company - Cut Bank Field, Station 018 (Montana Power - Station 018) was issued Permit #2738-00 for the operation of their gas compressor station and associated equipment installed in 1981 located in the S½ of the NW¼ of Section 22, Township 35 North, Range 5 West, Glacier County near Cut Bank, Montana. The station was identified as the Cut Bank Field, Station No. 018.

A Best Available Control Technology (BACT) determination was required for the 360-hp White Superior compressor engine since it was not operating at the same location prior to March 16, 1979.

Based on the BACT analysis for the 360-hp White Superior compressor engine, the Department of Environmental Quality (Department) determined that BACT for this source was proper installation and operation of the engine to maintain compliance with the emission limitations in Section II.A.1. of the permit. On April 13, 1993, Permit #2738-00 became final.

Montana Power - Station 018 requested a modification to Permit #2738-00 so that the Department could revise the emission limitation units from grams per brake horsepower-hour (g/bhp-hr) to pounds per hour (lb/hr). Rather than limit the engines to a g/bhp-hr limit, an hourly emission limit allowed operational flexibility. The revision allowed Montana Power - Station 018 to account for varying parameters such as engine revolution per minute (rpm), operating load (bhp), ambient air temperature, gas temperature, site elevation, fuel gas quality, air/fuel ratio (AFR), field gas conditions, etc.

In addition, to clarify nitrogen oxides (NO<sub>x</sub>) mass emission calculations, NO<sub>x</sub> emission limitations were identified as nitrogen dioxide (NO<sub>2</sub>). Furthermore, the July 30, 1993, request corrected the derating information to use a more accurate altitude derating curve. Permit **#2738-01** replaced Permit #2738-00. On February 18, 1994, Permit #2738-01 became final.

As part of Permit **#2738-02**, the Department removed the testing requirements for the 360-hp White Superior compressor engine. Removing the testing requirements for this engine was consistent with the Department's testing guidance. The 360-hp White Superior compressor engine was last tested and demonstrated compliance on October 7, 1997. The rule references were updated and the permitting language was changed to reflect the current format used for writing permits at the time of permit issuance. Permit #2738-02 replaced Permit #2738-01. On November 15, 1998, Permit #2738-02 became final.

The Montana Power Company requested a name change to the Montana Power Gas Company. The appropriate references in the permit were changed to reflect the name change. Permit **#2738-03** replaced Permit #2738-02. On March 14, 1999, Permit #2738-03 became final.

On January 22, 2002, the Department received a notice of corporate merger and name change from the Montana Power Gas Company to PanCanadian Energy Resources, Inc (PanCanadian). The letter notified the Department that Montana Power Gas Company, Xeno, Inc., and Entech Gas Ventures, Inc. merged into North American Resources Company (NARCO) as of January 1, 2002. The letter also stated that, at the same time, NARCO changed its corporate name to PanCanadian. In addition, on April 18, 2002, the Department received a letter from PanCanadian that requested a name change from PanCanadian to EnCana Energy Resources, Inc. The permit action transferred the permit from PanCanadian to EnCana Energy Resources, Inc. and updated the permit with current permit language and rule references used by the Department. Permit **#2738-04** replaced Permit #2738-03. On August 27, 2002, Permit #2738-04 became final.

On June 5, 2003, the Department received a letter from Aspen Consulting & Engineering, Inc., on behalf of EnCana requesting that the Department change the corporate name on Permit #2738-04 from EnCana Energy Resources, Inc. to EnCana. The permitting action changed the name from EnCana Energy Resources, Inc. to EnCana and updated the permit to reflect current permit language and rule references used by the Department. Permit **#2738-05** replaced Permit #2738-04.

#### D. Current Permit Action

On October 14, 2003, the Department received a letter from Aspen Consulting & Engineering, Inc., on behalf of EnCana requesting that the Department add a new 120-

thousand British thermal unit per hour (MBtu/hr) Hotomatic Heater to the list of equipment at the Cut Bank Field, Station 018. The current permit action adds the 120-Mbtu/hr Hotomatic Heater under de minimis (Administrative Rules of Montana (ARM) 17.8.745) and updates the permit to reflect current permit language and rule references used by the Department. Permit **#2738-06** replaces Permit #2738-05.

E. Additional Information

Additional information, such as applicable rules and regulations, BACT/Reasonably Available Control Technology (RACT) determinations, air quality impacts, and environmental assessments, is included in the analysis associated with each change to the permit.

II. Applicable Rules and Regulations

The following are partial explanations of some applicable rules and regulations that apply to the facility. The complete rules are stated in the ARM and are available, upon request, from the Department. Upon request, the Department will provide references for the locations of complete copies of all applicable rules or regulations or copies where appropriate.

A. ARM 17.8, Subchapter 1 - General Provisions, including, but not limited to:

1. ARM 17.8.101 Definitions. This rule is a list of applicable definitions used in this subchapter, unless indicated otherwise in a specific subchapter.
2. ARM 17.8.105 Testing Requirements. Any person or persons responsible for the emission of any air contaminant into the outdoor atmosphere shall, upon written request of the Department, provide the facilities and necessary equipment, including instruments and sensing devices, and shall conduct tests, emission or ambient, for such periods of time as may be necessary using methods approved by the Department.
3. ARM 17.8.106 Source Testing Protocol. The requirements of this rule apply to any emission source testing conducted by the Department, any source, or other entity as required by any rule in this chapter, or any permit or order issued pursuant to this chapter, or the provisions of the Clean Air Act of Montana, 75-2-101, *et seq.*, Montana Code Annotated (MCA).

EnCana shall comply with all requirements contained in the Montana Source Test Protocol and Procedures Manual, including, but not limited to, using the proper test methods and supplying the required reports. A copy of the Montana Source Test Protocol and Procedures Manual is available from the Department upon request.

4. ARM 17.8.110 Malfunctions. The Department must be notified promptly by telephone whenever a malfunction occurs that can be expected to create emissions in excess of any applicable emission limitation or to continue for a period greater than 4 hours.

5. ARM 17.8.111 Circumvention. (1) No person shall cause or permit the installation or use of any device or any means which, without resulting in reduction in the total amount of air contaminant emitted, conceals or dilutes an emission of air contaminant that would otherwise violate an air pollution control regulation. (2) No equipment that may produce emissions shall be operated or maintained in such a manner as to create a public nuisance.

B. ARM 17.8, Subchapter 2 - Ambient Air Quality, including, but not limited to:

1. ARM 17.8.204 Ambient Air Monitoring
2. ARM 17.8.210 Ambient Air Quality Standards for Sulfur Dioxide
3. ARM 17.8.211 Ambient Air Quality Standards for Nitrogen Dioxide
4. ARM 17.8.212 Ambient Air Quality Standards for Carbon Monoxide
5. ARM 17.8.213 Ambient Air Quality Standard for Ozone
6. ARM 17.8.214 Ambient Air Quality Standard for Hydrogen Sulfide
7. ARM 17.8.220 Ambient Air Quality Standard for Settled Particulate Matter
8. ARM 17.8.221 Ambient Air Quality Standard for Visibility
9. ARM 17.8.222 Ambient Air Quality Standard for Lead
10. ARM 17.8.223 Ambient Air Quality Standard for PM<sub>10</sub>

EnCana must maintain compliance with the applicable ambient air quality standards.

C. ARM 17.8, Subchapter 3 - Emission Standards, including, but not limited to:

1. ARM 17.8.304 Visible Air Contaminants. (1) This rule requires that no person may cause or authorize emissions to be discharged to an outdoor atmosphere from any source installed on or before November 23, 1968, that exhibit an opacity of 40% or greater averaged over 6 consecutive minutes. (2) This rule requires that no person may cause or authorize emissions to be discharged to an outdoor atmosphere from any source installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes.
2. ARM 17.8.308 Particulate Matter, Airborne. (1) This rule requires an opacity limitation of less than 20% for all fugitive emissions sources and that reasonable precautions be taken to control emissions of airborne particulate. (2) Under this rule, EnCana shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne particulate matter.
3. ARM 17.8.309 Particulate Matter, Fuel Burning Equipment. This rule requires that no person shall cause, allow, or permit to be discharged into the atmosphere particulate matter caused by the combustion of fuel in excess of the amount determined by this rule.
4. ARM 17.8.310 Particulate Matter, Industrial Process. This rule requires that no person shall cause, allow, or permit to be discharged into the atmosphere particulate matter in excess of the amount set fourth in this rule.
5. ARM 17.8.322 Sulfur Oxide Emissions–Sulfur in Fuel. (5) Commencing July 1,

1971, no person shall burn any gaseous fuel containing sulfur compounds in excess of 50 grains per 100 cubic feet of gaseous fuel, calculated as hydrogen sulfide at standard conditions. EnCana uses natural gas, which meets this limitation

6. ARM 17.8.340 Standards of Performance for New Stationary Sources. The owner or operator of any stationary source or modification, as defined and applied in 40 CFR Part 60, New Source Performance Standards (NSPS), shall comply with the standards and provisions of 40 CFR Part 60. The EnCana facility is not an NSPS affected source because it does not meet any of the definitions of a natural gas processing plant, as defined in 40 CFR Part 60, Subpart KKK, or any other subpart under 40 CFR Part 60, because the facility was constructed prior to January 20, 1984.
7. ARM 17.8.342 Emission Standards for Hazardous Air Pollutants for Source Categories. The source, as defined and applied in 40 CFR 63, shall comply with the requirements of 40 CFR 63, as listed below:

40 CFR 63, Subpart HH - National Emission Standards for Hazardous Air Pollutants From Oil and Natural Gas Production Facilities. Owners or operators of oil and natural gas production facilities, as defined and applied in 40 CFR Part 63, shall comply with the applicable provisions of 40 CFR Part 63, Subpart HH. In order for a natural gas production facility to be subject to 40 CFR Part 63, Subpart HH requirements, certain criteria must be met. First, the facility must be a major source of Hazardous Air Pollutants (HAP) as determined according to paragraphs (a)(1)(i) through (a)(1)(iii) of 40 CFR 63, Subpart HH. Second, a facility that is determined to be major for HAPs must also either process, upgrade, or store hydrocarbon liquids prior to the point of custody transfer, or process, upgrade, or store natural gas prior to the point at which natural gas enters the natural gas transmission and storage source category or is delivered to a final end user. Third, the facility must also contain an affected source as specified in paragraphs (b)(1) through (b)(4) of 40 CFR Part 63, Subpart HH. Finally, if the first three criteria are met, and the exemptions contained in paragraphs (e)(1) and (e)(2) of 40 CFR Part 63, Subpart HH do not apply, the facility is subject to the applicable provisions of 40 CFR Part 63, Subpart HH. Because the facility is not a major source of HAPs, EnCana is not subject to the provisions of 40 CFR Part 63, Subpart HH.

40 CFR 63, Subpart HHH National Emission Standards for Hazardous Air Pollutants From Natural Gas Transmission and Storage Facilities. Owners or operators of natural gas transmission or storage facilities, as defined and applied in 40 CFR Part 63, shall comply with the standards and provisions of 40 CFR Part 63, Subpart HHH. In order for a natural gas transmission and storage facility to be subject to 40 CFR Part 63, Subpart HHH requirements, certain criteria must be met. First, the facility must transport or store natural gas prior to the gas entering the pipeline to a local distribution company or to a final end user if there is no local distribution company. In addition, the facility must be a major source of HAPs as determined using the maximum natural gas throughput as calculated in either paragraphs (a)(1) and (a)(2) or paragraphs (a)(2) and (a)(3) of 40 CFR Part 63, Subpart HHH. Second, a facility must contain an affected source (glycol dehydration unit) as defined in paragraph (b) of 40 CFR Part 63, Subpart HHH.

Finally, if the first two criteria are met, and the exemptions contained in paragraph (f) of 40 CFR Part 63, Subpart HHH, do not apply, the facility is subject to the applicable provisions of 40 CFR Part 63, Subpart HHH. Because the facility is not a major source of HAPs, EnCana is not subject to the provisions of 40 CFR 63, Subpart HHH.

D. ARM 17.8, Subchapter 5 - Air Quality Permit Application, Operation, and Open Burning Fees, including, but not limited to:

1. ARM 17.8.504 Air Quality Permit Application Fees. EnCana shall submit an air quality permit application fee concurrent with the submittal of an air quality permit application. A permit application is incomplete until the proper application fee is paid to the Department. EnCana was not required to submit a permit application fee for the current permit action because the current permit action is administrative.
2. ARM 17.8.505 Air Quality Operation Fees. An annual air quality operation fee must, as a condition of continued operation, be submitted to the Department by each source of air contaminants holding an air quality permit, excluding an open burning permit, issued by the Department. This operation fee is based on the actual or estimated amount of air pollutants emitted during the previous calendar year.

An air quality operation fee is separate and distinct from an air quality permit application fee. The annual assessment and collection of the air quality operation fee, as described above, shall take place on a calendar-year basis. The Department may insert into any final permit issued after the effective date of these rules such conditions as may be necessary to require the payment of an air quality operation fee on a calendar-year basis, including provisions that pro-rate the required fee amount.

E. ARM 17.8, Subchapter 7 - Permit, Construction, and Operation of Air Contaminant Sources, including, but not limited to:

1. ARM 17.8.740 Definitions. This rule is a list of applicable definitions used in this subchapter, unless indicated otherwise in a specific subchapter.
2. ARM 17.8.743 Montana Air Quality Permits--When Required. This rule requires a person to obtain an air quality permit or permit alteration to construct, alter or use any air contaminant sources that have the Potential to Emit (PTE) greater than 25 tons per year of any pollutant. EnCana has the potential to emit more than 25 tons per year of NO<sub>x</sub>; therefore, an air quality permit is required.
3. ARM 17.8.744 Montana Air Quality Permits--General Exclusions. This rule identifies the activities that are not subject to the Montana Air Quality Permit program.
4. ARM 17.8.745 Montana Air Quality Permits—Exclusion for De Minimis Changes. This rule identifies the de minimis changes at permitted facilities that do not require a permit under the Montana Air Quality Permit Program.

5. ARM 17.8.748 New or Modified Emitting Units--Permit Application Requirements. This rule requires that a permit application be submitted prior to installation, alteration or use of a source. EnCana was not required to submit an application for the current permit action because the change is considered administrative.
6. ARM 17.8.749 Conditions for Issuance or Denial of Permit. This rule requires that the permits issued by the Department must authorize the construction and operation of the facility or emitting unit subject to the conditions in the permit and the requirements of this subchapter. This rule also requires that the permit must contain any conditions necessary to assure compliance with the Federal Clean Air Act (FCAA), the Clean Air Act of Montana, and rules adopted under those acts.
7. ARM 17.8.752 Emission Control Requirements. This rule requires a source to install the maximum air pollution control capability that is technically practicable and economically feasible, except that BACT shall be utilized. A BACT analysis was not required for the current permit action because there are no new or altered sources permitted as a part of this action.
8. ARM 17.8.755 Inspection of Permit. This rule requires that air quality permits shall be made available for inspection by the Department at the location of the source.
9. ARM 17.8.756 Compliance with Other Statutes and Rules. This rule states that nothing in the permit shall be construed as relieving EnCana of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq.*
10. ARM 17.8.759 Review of Permit Applications. This rule describes the Department's responsibilities for processing permit applications and making permit decisions on those permit applications that do not require the preparation of an environmental impact statement.
11. ARM 17.8.762 Duration of Permit. An air quality permit shall be valid until revoked or modified as provided in this subchapter, except that a permit issued prior to construction of a new or altered source may contain a condition providing that the permit will expire unless construction is commenced within the time specified in the permit, which in no event may be less than 1 year after the permit is issued.
12. ARM 17.8.763 Revocation of Permit. An air quality permit may be revoked upon written request of the permittee, or for violations of any requirement of the Clean Air Act of Montana, rules adopted under the Clean Air Act of Montana, the FCAA, rules adopted under the FCAA, or any applicable requirement contained in the Montana State Implementation Plan (SIP).
13. ARM 17.8.764 Administrative Amendment to Permit. An air quality permit may be amended for changes in any applicable rules and standards adopted by the Board of Environmental Review (Board) or changed conditions of operation at a source or stack that do not result in an increase of emissions as a result of those

changed conditions. The owner or operator of a facility may not increase the facility's emissions beyond permit limits unless the increase meets the criteria in ARM 17.8.745 for a de minimis change not requiring a permit, or unless the owner or operator applies for and receives another permit in accordance with ARM 17.8.748, ARM 17.8.749, ARM 17.8.752, ARM 17.8.755, and ARM 17.8.756, and with all applicable requirements in ARM Title 17, Chapter 8, Subchapters 8, 9, and 10.

14. ARM 17.8.765 Transfer of Permit. This rule states that an air quality permit may be transferred from one person to another if written notice of Intent to Transfer, including the names of the transferor and the transferee, is sent to the Department.

F. ARM 17.8, Subchapter 8 - Prevention of Significant Deterioration of Air Quality, including, but not limited to:

1. ARM 17.8.801 Definitions. This rule is a list of applicable definitions used in this subchapter.
2. ARM 17.8.818 Review of Major Stationary Sources and Major Modification--Source Applicability and Exemptions. The requirements contained in ARM 17.8.819 through ARM 17.8.827 shall apply to any major stationary source and any major modification with respect to each pollutant subject to regulation under the FCAA that it would emit, except as this subchapter would otherwise allow.

This facility is not a major stationary source because it is not listed and does not have the PTE more than 250 tons per year (excluding fugitive emissions) of any air pollutant.

G. ARM 17.8, Subchapter 12 - Operating Permit Program Applicability, including, but not limited to:

1. ARM 17.8.1201 Definitions. (23) Major Source under Section 7412 of the FCAA is defined as any stationary source having:
  - a. PTE > 100 tons/year of any pollutant
  - b. PTE > 10 tons/year of any one HAP, or PTE > 25 tons/year of a combination of all HAPs, or lesser quantity as the Department may establish by rule
  - c. PTE > 70 tons/year of particulate matter with an aerodynamic diameter of 10 microns or less (PM<sub>10</sub>) in a serious PM<sub>10</sub> nonattainment area
2. ARM 17.8.1204 Air Quality Operating Permit Program Applicability. Title V of the FCAA Amendments of 1990 requires that all sources, as defined in ARM 17.8.1204 (1), obtain a Title V Operating Permit. In reviewing and issuing Air Quality Permit #2738-06 for EnCana, the following conclusions were made:

- a. The facility's PTE is less than 100 tons/year for all criteria pollutants
- b. The facility's PTE is less than 10 tons/year of any one HAP and less than 25 tons/year of all HAPs
- c. This source is not located in a serious PM<sub>10</sub> nonattainment area
- d. This facility is not subject to any current NESHAP standards
- e. This facility is not an NSPS affected source
- f. This source is not a Title IV affected source nor a solid waste combustion unit.
- g. This source is not an EPA designated Title V source.

Based on the above facts, EnCana is not subject to the Title V Operating Permit Program.

### III. BACT Determination

A BACT determination is required for each new or altered source. EnCana shall install on the new or altered source the maximum air pollution control capability, which is technically practicable and economically feasible, except that BACT shall be utilized. A BACT analysis is not required for the current permit action because the current permit action is considered administrative.

### IV. Emission Inventory

	Tons/year					
	PM	PM <sub>10</sub>	SO <sub>x</sub>	NO <sub>x</sub>	VOC	CO
360-hp White Superior	0.12	0.12	0.01	38.25	17.37	6.94
Olman Heath Dehydrator	0.01	0.01	0.00	0.22	0.02	0.04
120-Mbtu/hr Hotomatic Heater	0.01	0.01	0.00	0.06	0.00	0.03
Total	0.13	0.13	0.01	38.47	17.39	6.98

#### Altitude deration (For Information Only)

Altitude of engine: 4130 ft (89% as per performance curve, SC-8 of 11-23-56, submitted 7/30/93 by MPC)  
 Calculation: 360 bhp \* 0.89 = 320.4 bhp

#### 360-hp White Superior

Brake Horsepower: 360 bhp  
 Hours of operation: 760 hr/yr

#### PM Emissions

Emission Factor: 10.0 lb/10<sup>6</sup> ft<sup>3</sup> {2-02-002-02, AFSSCC page 32}  
 Control Efficiency: 0.0%  
 Fuel Consumption: 8500 Btu/bhp-hr {Maximum Design}  
 Calculation: 8500 Btu/bhp-hr \* 0.001 ft<sup>3</sup>/Btu \* 360 bhp \* 8760 hr/yr = 26805600 ft<sup>3</sup>/yr  
 26805600 ft<sup>3</sup>/yr \* 10 lb/10<sup>6</sup> ft<sup>3</sup> gas \* 0.0005 ton/lb = 0.13 ton/yr

<b>PM<sub>10</sub> Emissions</b>	
Emission Factor:	10.0 lb/10 <sup>6</sup> ft <sup>3</sup> {2-02-002-02, AFSSCC page 32}
Control Efficiency:	0.0%
Fuel Consumption:	8500 Btu/bhp-hr {Maximum Design}
Calculation:	8500 Btu/bhp-hr * 0.001 ft <sup>3</sup> /Btu * 360 bhp * 8760 hr/yr = 26805600 ft <sup>3</sup> /yr 26805600 ft <sup>3</sup> /yr * 10 lbs/10 <sup>6</sup> ft <sup>3</sup> gas * 0.0005 ton/lb = 0.13 ton/yr
<b>NO<sub>x</sub> Emissions</b>	
Emission factor:	11.00 gram/bhp-hr {Based on BACT determination}
Calculation:	11.00 gram/bhp-hr * 360 bhp * 0.002205 lbs/gram = 8.73 lb/hr 8.73 lb/hr * 8760 hr/yr * 1 ton/2000 lb = 38.25 ton/yr
<b>VOC Emissions</b>	
Emission factor:	5.00 gram/bhp-hr {Based on BACT determination}
Calculation:	5.00 gram/bhp-hr * 360 bhp * 0.002205 lb/gram = 3.97 lb/hr 3.97 lb/hr * 8760 hr/yr * 1 ton/2000 lb = 17.37 ton/yr
<b>CO Emissions</b>	
Emission factor:	2.00 gram/bhp-hr {Based on BACT determination}
Calculation:	2.00 gram/bhp-hr * 360 bhp * 0.002205 lb/gram = 1.58 lb/hr 1.58 lb/hr * 8760 hr/yr * 1 ton/2000 lb = 6.94 ton/yr
<b>SO<sub>x</sub> Emissions</b>	
Emission factor:	0.002 gram/bhp-hr {AP-42, Table 3.2-1,9/85}
Calculation:	0.002 gram/bhp-hr * 360 bhp * 0.002205 lb/gram = 0.002 lb/hr 0.002 lb/hr * 8760 hr/yr * 1 ton/2000 lb = 0.01 ton/yr

#### **Olman Heath Dehydrator**

<b>PM Emissions</b>	
Emission Factor:	5.00 lb/10 <sup>6</sup> ft <sup>3</sup> {AP-42, 1.4-1}
Control Efficiency:	0.00%
Fuel Consumption:	4.38 10 <sup>6</sup> ft <sup>3</sup> /yr {Information from company}
Calculation:	4.38 * 10 <sup>6</sup> ft <sup>3</sup> /yr * 5 lb/10 <sup>6</sup> ft <sup>3</sup> gas * 0.0005 ton/lb = 0.01 ton/yr
<b>PM<sub>10</sub> Emissions</b>	
Emission Factor:	5.00 lb/10 <sup>6</sup> ft <sup>3</sup> {AP-42, 1.4-1}
Control Efficiency:	0.00%
Fuel Consumption:	4.38 10 <sup>6</sup> ft <sup>3</sup> /yr {Information from company}
Calculation:	4.38 * 10 <sup>6</sup> ft <sup>3</sup> /yr * 5 lb/10 <sup>6</sup> ft <sup>3</sup> gas * 0.0005 ton/lb = 0.01 ton/yr
<b>NO<sub>x</sub> Emissions</b>	
Emission Factor:	100.00 lb/10 <sup>6</sup> ft <sup>3</sup> {AP-42, 1.4-1}
Control Efficiency:	0.00%
Fuel Consumption:	4.38 10 <sup>6</sup> ft <sup>3</sup> /yr {Information from company}
Calculation:	4.38 * 10 <sup>6</sup> ft <sup>3</sup> /yr * 100 lb/10 <sup>6</sup> ft <sup>3</sup> gas * 0.0005 ton/lb = 0.22 ton/yr
<b>VOC Emissions</b>	
Emission Factor:	8.00 lb/10 <sup>6</sup> ft <sup>3</sup> {AP-42, 1.4-1}
Control Efficiency:	0.00%
Fuel Consumption:	4.38 10 <sup>6</sup> ft <sup>3</sup> /yr {Information from company}
Calculation:	4.38 * 10 <sup>6</sup> ft <sup>3</sup> /yr * 8 lb/10 <sup>6</sup> ft <sup>3</sup> gas * 0.0005 ton/lb = 0.02 ton/yr
<b>CO Emissions</b>	
Emission Factor:	20.00 lb/10 <sup>6</sup> ft <sup>3</sup> {AP-42, 1.4-1}
Control Efficiency:	0.00%
Fuel Consumption:	4.38 10 <sup>6</sup> ft <sup>3</sup> /yr {Information from company}
Calculation:	4.38 * 10 <sup>6</sup> ft <sup>3</sup> /yr * 20 lb/10 <sup>6</sup> ft <sup>3</sup> gas * 0.0005 ton/lb = 0.04 ton/yr
<b>SO<sub>x</sub> Emissions</b>	

Emission Factor:	0.60 lb/10 <sup>6</sup> ft <sup>3</sup>	{AP-42, 1.4-1}
Control Efficiency:	0.00%	
Fuel Consumption:	4.38 10 <sup>6</sup> ft <sup>3</sup> /yr	{Information from company}
Calculation:	4.38 * 10 <sup>6</sup> ft <sup>3</sup> /yr * 0.6 lb/10 <sup>6</sup> ft <sup>3</sup> gas * 0.0005 ton/lb = 0.00 ton/yr	

**Hotomatic Heater 120,000 Btu/hr** (Information from company)

Fuel Consumption: 120,000 Btu/hr \* 0.0012 Scf/Btu \* 8760 hr/yr = 1.26 MMScf/yr

PM<sub>10</sub> Emissions

Emission Factor:	7.60 lb/MMScf	(AP-42, 1.4-2, 7/98)
Fuel Consumption:	1.26 MMScf/yr	
Calculations:	7.60 lb/MMScf * 1.26 MMScf/yr * 0.0005 ton/lb = 0.01 ton/yr	

NO<sub>x</sub> Emissions

Emission Factor:	94.00 lb/MMScf	(AP-42, 1.4-1, 7/98)
Fuel Consumption:	1.26 MMScf/yr	
Calculations:	94.00 lb/MMScf * 1.26 MMScf/yr * 0.0005 ton/lb = 0.06 ton/yr	

VOC Emissions

Emission Factor:	5.50 lb/MMScf	(AP-42, 1.4-2, 7/98)
Fuel Consumption:	1.26 MMScf/yr	
Calculations:	5.50 lb/MMScf * 1.26 MMScf/yr * 0.0005 ton/lb = 0.00 ton/yr	

CO Emissions

Emission Factor:	40.00 lb/MMScf	(AP-42, 1.4-1, 7/98)
Fuel Consumption:	1.26 MMscf/yr	
Calculations:	40.00 lb/MMScf * 1.26 MMscf/yr * 0.0005 ton/lb = 0.03 ton/yr	

SO<sub>x</sub> Emissions

Emission Factor:	0.60 lb/MMScf	(AP-42, 1.4-2, 7/98)
Fuel Consumption:	1.26 MMScf/yr	
Calculations:	0.60 lb/MMScf * 1.26 MMScf/yr * 0.0005 ton/lb = 0.00 ton/yr	

V. Existing Air Quality

The current permit action is an Administrative Amendment to Permit #2738-05 and increases emissions from this source by less than 15 tons per year. EnCana would be capable of continuing to operate in compliance with all applicable rules and regulations that apply to the facility.

VI. Taking or Damaging Implication Analysis

As required by 2-10-101 through 105, MCA, the Department conducted a private property taking and damaging assessment and determined there are no taking or damaging implications.

VII. Environmental Assessment

An environmental assessment was not required for this permitting action because it is considered an administrative action.

Permit Analysis Prepared By: Chris Ames

Date: October 23, 2003